



**Los Angeles County
Board of Supervisors**

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313 N. Figueroa Street, Suite 912
Los Angeles, CA 90012

Tel: (213)240-8101
Fax: (213) 481-0503

www.dhs.lacounty.gov

*To ensure access to high-quality,
patient-centered, cost-effective health
care to Los Angeles County residents
through direct services at DHS facilities
and through collaboration with
community and university partners.*



www.dhs.lacounty.gov

November 19, 2013

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**APPROVAL OF AMENDMENTS TO CHILD CARE CENTER OPERATOR
SERVICES AGREEMENTS
(SUPERVISORIAL DISTRICTS 1, 2, 4, AND 5)
(3 VOTES)**

SUBJECT

Request approval to extend two Child Care Center Operator Services Agreements for the continued provision of infant and child care services to children of County employees and the community at designated County facilities.

IT IS RECOMMENDED THAT THE BOARD:

1. Authorize the Director of Health Services (Director), or his designee, to execute Amendment No. 2 to Child Care Center Operator Services (CCCOS) Agreement No. H-703397 with Child Development Consortium of Los Angeles (CDCLA), effective upon execution by both parties, to extend the term for one year, for the period January 1, 2014 through December 31, 2014, with an option to further extend the term for up to six additional months on a month-to-month basis, for the continued provision of infant and child care services to children of County employees and the community at LAC+USC Medical Center and Olive View-UCLA Medical Center, with no net County cost.
2. Authorize the Director or his designees, to execute Amendment No. 3 to CCCOS Agreement No. H-703405 with Knowledge Universe Education, LLC

(KU), effective upon execution by both parties to extend the term for one year for the period January 1, 2014 through December 31, 2014, with option to further extend the term for up to six additional months on a month-to-month basis, for the continued provision of infant child care services to children of County employees and the community at Harbor-UCLA Medical Center, H. Claude Hudson Comprehensive Health Center, and Rancho Los Amigos National Rehabilitation Center, with no net County cost.

3. Delegate authority to the Director, or his designee, to execute future Amendments to the Agreements, to: (1) extend the term for up to six additional months, on a month-to-month basis, subject to prior review and approval by County Counsel and with notification to the Board and Chief Executive Office; and, (2) add, delete and/or change provisions as maybe required by law or Board policy, or other non-substantive terms and conditions in the Agreement.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the first two recommendations, will allow the Director to execute two amendments, substantially similar to Exhibits I and II, to extend the term of two Agreements that are scheduled to expire December 31, 2013. The extension of these Agreements are needed to facilitate the on-going access to high quality, affordable and conveniently located child care services to County employees and the community at large, with priority given to County employees. The extension will also provide the County the time to assess future needs associated for this service and to issue a solicitation in 2014, if necessary.

Approval of the third recommendation will allow the Director to exercise the option to extend the term of the Agreements for up to an additional six months, on a month-to-month basis through June 30, 2015. This is requested in the event of any delay in completing the solicitation process and to enable the successful Contractor to fully implement the services without a lapse in child care services to families. Approval of this recommendation will also allow the Director to add, delete and/or change provisions as may be required by law or Board policy or other non-substantive terms and conditions in the Agreement.

FISCAL IMPACT/FINANCING

Approval of the recommended actions will have no fiscal impact on DHS. The child care centers are self-supporting with fees paid by the parents of the children enrolled at the centers. The County provides in-kind costs for rent free space, space support services, and other support services to the Contractors. In return, the Contractors provide affordable and conveniently located child care for County employees and the community.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The Board approved the Agreements with CDCLA and KU (formerly known as Knowledge Learning Corporation) on July 8, 2008, for the provision of infant and child care operator services for the period of August 1, 2008 through June 30, 2013. Subsequently, under delegated authority, the Agreements were amended to extend the term through December 31, 2013.

The proposed Amendment also adds the Board of Supervisors' required provisions, including the most recent provisions, e.g., Contractor's Warranty of Compliance with County's Defaulted Property Tax Reduction Program and updates the Health Insurance Portability and Accountability Act of 1996 (HIPAA), as legally required.

The Agreements may be terminated for convenience by the County upon ninety (90) calendar days with prior written notice.

County Counsel has approved Exhibits I and II, as to form.

CONTRACTING PROCESS

The current Agreements were awarded as a result of a competitive solicitation process. DHS is in the process of assessing the future needs associated with the services and plans to release a new solicitation in 2014.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommended action will continue to facilitate access to affordable and conveniently located child care for County employees and the community.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mitchell Katz". The signature is stylized and cursive.

Mitchell H. Katz, M.D.

Director

MHK:ls

Enclosures

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors

CHILD CARE CENTER OPERATOR SERVICES AGREEMENT
NAME OF FACILITY(IES): LAC+USC MEDICAL CENTER AND OLIVE VIEW-UCLA
MEDICAL CENTER

Amendment No. 2

THIS AMENDMENT is made and entered into this _____ day of
_____, 20____,

By and between

COUNTY OF LOS ANGELES
(hereafter "County"),

And

CHILD DEVELOPMENT CONSORTIUM
LOS ANGELES
(hereafter "Contractor")

Business Address:

315 W. 9th Street, Suite 500
Los Angeles, CA 90015

WHEREAS, on August 1, 2008, the County and Contractor entered into Agreement No. H-703397 to provide Child Care Center Operator Services at LAC+USC Medical Center and Olive View-UCLA Medical Center; and

WHEREAS, on August 1, 2008 the County's Board of Supervisors authorized the Director of Health Services (Director) to extend the term for an additional six (6) months upon mutual agreement by both parties, as described in Paragraph 1, Term; and

WHEREAS, it is the intent of the parties to amend the Agreement to extend the term for an additional twelve months, and make other changes described herein; and

WHEREAS, Agreement provides that changes in accordance to Paragraph 44, Alteration of Terms, may be made in the form of an Amendment which is formally approved and executed by the parties.

NOW, THEREFORE, the parties agree as follows:

1. This Amendment shall become effective upon execution by the parties on the date identified at the top of page 1 of this Amendment.

2. Agreement, Paragraph 1, TERM shall be deleted in its entirety and replaced as follows:

“1. TERM: The term of the Agreement shall commence and become effective August 1, 2008, and shall remain in full force and effect through December 31, 2014.”

The County shall have the sole option to extend this Agreement term for up to six (6) additional months, on a month-to-month basis. Such option and extension shall be exercised at the sole discretion of the Director or his designee as authorized by the Board of Supervisors, and in accordance to Paragraph 44, Alteration of Terms.

The County maintains databases that track/monitor Contractor performance history. Information entered into such databases may be used for a variety of purposes, including determining whether the County will exercise a contract term extension option.

The Contractor shall notify DHS when this Agreement is within six (6) months from the expiration of the term as provided for hereinabove. Upon occurrence of this event, the Contractor shall send written notification to the DHS at the address herein provided in Exhibit E - County's Administration.”

3. Agreement, Paragraph 8, INDEMNIFICATION, shall be deleted in its entirety and replaced as follows:

“8. INDEMNIFICATION

The Contractor shall indemnify, defend and hold harmless the County, its Special Districts, elected and appointed officers, employees, agents and volunteers (“County Indemnitees”) from and against any and all liability, including but not limited to demands, claims, actions, fees, costs, and expenses (including attorney and expert witness fees), arising from and/or relating to this Agreement, except for such loss or damage arising from the sole negligence or willful misconduct of the County Indemnitees.”

4. Agreement, Paragraph 9, GENERAL INSURANCE REQUIREMENT shall be deleted in its entirety and replaced as follows:

“9. GENERAL INSURANCE REQUIREMENT: Without limiting Contractor's indemnification of County, and in the performance of this Agreement and until all of its obligations pursuant to this Agreement have been met, Contractor shall provide and maintain at its own expense insurance coverage satisfying the requirements specified in Sub-Paragraph 10 of this Agreement. These minimum insurance coverage terms, types and limits (the “Required Insurance”) also are in addition to and separate from any other Contractual obligation imposed upon

Contractor pursuant to this Agreement. The County in no way warrants that the Required Insurance is sufficient to protect the Contractor for liabilities which may arise from or relate to this Agreement.

A. Evidence of Coverage and Notice to County:

- Certificate(s) of insurance coverage (Certificate) satisfactory to County, and a copy of an Additional Insured endorsement confirming County and its Agents (defined below) has been given Insured status under the Contractor's General Liability policy, shall be delivered to County at the address shown below and provided prior to commencing services under this Agreement.
- Renewal Certificates shall be provided to County not less than 10 days prior to Contractor's policy expiration dates. The County reserves the right to obtain complete, certified copies of any required Contractor and/or Sub-Contractor insurance policies at any time.
- Certificates shall identify all Required Insurance coverage types and limits specified herein, reference this Agreement by name or number, and be signed by an authorized representative of the insurer(s). The Insured party named on the Certificate shall match the name of the Contractor identified as the contracting party in this Agreement. Certificates shall provide the full name of each insurer providing coverage, its NAIC (National Association of Insurance Commissioners) identification number, its financial rating, the amounts of any policy deductibles or self-insured retentions exceeding fifty thousand (\$50,000.00) dollars, and list any County required endorsement forms.
- Neither the County's failure to obtain, nor the County's receipt of, or failure to object to a non-complying insurance certificate or endorsement, or any other insurance documentation or information provided by the Contractor, its insurance broker(s) and/or insurer(s), shall be construed as a waiver of any of the Required Insurance provisions.

Certificates and copies of any required endorsements shall be sent to:

County of Los Angeles
Department of Health Services

Contracts and Grants Division
313 N. Figueroa Street, 6E
Los Angeles, CA 90012
Attention: Kathy K. Hanks, C.P.M.
Director, Contracts and Grants

Contractor also shall promptly report to County any injury or property damage accident or incident, including any injury to a Contractor employee occurring on County property, and any loss, disappearance, destruction, misuse, or theft of County property, monies or securities entrusted to Contractor. Contractor also shall promptly notify County of any third party claim or suit filed against Contractor or any of its Sub-Contractors which arises from or relates to this Agreement, and could result in the filing of a claim or lawsuit against Contractor and/or County.

B. Additional Insured Status and Scope of Coverage: The County of Los Angeles, its Special Districts, Elected Officials, Officers, Agents, Employees and Volunteers (collectively County and its Agents) shall be provided additional insured status under Contractor's General Liability policy with respect to liability arising out of Contractor's ongoing and completed operations performed on behalf of the County. County and its Agents additional insured status shall apply with respect to liability and defense of suits arising out of the Contractor's acts or omissions, whether such liability is attributable to the Contractor or to the County. The full policy limits and scope of protection also shall apply to the County and its Agents as an additional insured, even if they exceed the County's minimum Required Insurance specifications herein. Use of an automatic additional insured endorsement form is acceptable providing it satisfies the Required Insurance provisions herein.

C. Cancellation of or Changes in Insurance: Contractor shall provide County with, or Contractor's insurance policies shall contain a provision that County shall receive, written notice of cancellation or any change in Required Insurance, including insurer, limits of coverage, term of coverage or policy period. The written notice shall be provided to County at least ten (10) days in advance of cancellation for non-payment of premium and thirty (30) days in advance for any other cancellation or policy change. Failure to provide written notice of cancellation or any change in Required Insurance may constitute a material breach of the Agreement, in the sole discretion of the County, upon which the County may suspend or terminate this Agreement.

D. Failure to Maintain Insurance: Contractor's failure to maintain or to provide acceptable evidence that it maintains the

Required Insurance shall constitute a material breach of the Agreement, upon which County immediately may withhold payments due to Contractor, and/or suspend or terminate this Agreement. County, at its sole discretion, may obtain damages from Contractor resulting from said breach. Alternatively, the County may purchase the Required Insurance, and without further notice to Contractor, deduct the premium cost from sums due to Contractor or pursue Contractor reimbursement.

E. Insurer Financial Ratings: Coverage shall be placed with insurers acceptable to the County with A.M. Best ratings of not less than A:VII unless otherwise approved by County.

F. Contractor's Insurance Shall Be Primary: Contractor's insurance policies, with respect to any claims related to this Agreement, shall be primary with respect to all other sources of coverage available to Contractor. Any County maintained insurance or self-insurance coverage shall be in excess of and not contribute to any Contractor coverage.

G. Waivers of Subrogation: To the fullest extent permitted by law, the Contractor hereby waives its rights and its insurer(s)' rights of recovery against County under all the Required Insurance for any loss arising from or relating to this Agreement. The Contractor shall require its insurers to execute any waiver of subrogation endorsements which may be necessary to effect such waiver.

H. Sub-Contractor Insurance Coverage Requirements: Contractor shall include all Sub-Contractors as insureds under Contractor's own policies, or shall provide County with each Sub-Contractor's separate evidence of insurance coverage. Contractor shall be responsible for verifying each Sub-Contractor complies with the Required Insurance provisions herein, and shall require that each Sub-Contractor name the County and Contractor as additional insureds on the Sub-Contractor's General Liability policy. Contractor shall obtain County's prior review and approval of any Sub-Contractor request for modification of the Required Insurance.

I. Deductibles and Self-Insured Retentions (SIRs): Contractor's policies shall not obligate the County to pay any portion of any Contractor deductible or SIR. The County retains the right to require Contractor to reduce or eliminate policy deductibles and SIRs as respects the County, or to provide a bond guaranteeing Contractor's payment of all deductibles and SIRs, including all related claims investigation, administration and defense expenses. Such bond shall be executed by a corporate surety licensed to transact business in the State of California.

J. Claims Made Coverage: If any part of the Required Insurance is written on a claims made basis, any policy retroactive date shall precede the effective date of this Agreement. Contractor understands and agrees it shall maintain such coverage for a period of not less than three (3) years following Agreement expiration, termination or cancellation.

K. Application of Excess Liability Coverage: Contractors may use a combination of primary, and excess insurance policies which provide coverage as broad as ("follow form" over) the underlying primary policies, to satisfy the Required Insurance provisions.

L. Separation of Insureds: All liability policies shall provide cross-liability coverage as would be afforded by the standard ISO (Insurance Services Office, Inc.) separation of insureds provision with no insured versus insured exclusions or limitations.

M. Alternative Risk Financing Programs: The County reserves the right to review, and then approve, Contractor use of self-insurance, risk retention groups, risk purchasing groups, pooling arrangements and captive Insurance to satisfy the Required Insurance provisions. The County and its Agents shall be designated as an Additional Covered Party under any approved program.

N. County Review and Approval of Insurance Requirements: The County reserves the right to review and adjust the Required Insurance provisions, conditioned upon County's determination of changes in risk exposures.

5. Agreement, Paragraph 10, INSURANCE COVERAGE REQUIREMENTS shall be deleted in its entirety and replaced as follows:

"10. INSURANCE COVERAGE REQUIREMENTS:

A. Commercial General Liability: Insurance (providing scope of coverage equivalent to ISO policy form CG 00 01), naming County and its Agents as an additional insured, with limits of not less than:

General Aggregate:	\$2 million
Products/Completed Operations Aggregate:	\$1 million
Personal and Advertising Injury:	\$1 million
Each Occurrence:	\$1 million

B. Automobile Liability: Insurance (providing scope of coverage equivalent to ISO policy form CA 00 01) with limits of not less than \$1 million for bodily injury and property damage, in combined or equivalent split limits, for each single accident. Insurance shall cover liability arising out of Contractor's use of autos pursuant to this Agreement, including owned, leased, hired, and/or non-owned autos, as each may be applicable.

C. Workers Compensation and Employers' Liability: Insurance or qualified self-insurance satisfying statutory requirements, which includes Employers' Liability coverage with limits of not less than \$1 million per accident. If Contractor will provide leased employees, or, is an employee leasing or temporary staffing firm or a professional employer organization (PEO), coverage also shall include an Alternate Employer Endorsement (providing scope of coverage equivalent to ISO policy form WC 00 03 01 A) naming the County as the Alternate Employer, and the endorsement form shall be modified to provide that County will receive not less than thirty (30) days advance written notice of cancellation of this coverage provision. If applicable to Contractor's operations, coverage also shall be arranged to satisfy the requirements of any federal workers or workmen's compensation law or any federal occupational disease law.

6. Agreement, Paragraph 14, COUNTY'S QUALITY ASSURANCE PLAN shall be deleted in its entirety and replaced as follows:

"14. COUNTY'S QUALITY ASSURANCE PLAN: The County or its agent will evaluate the Contractor's performance under this Agreement on not less than an annual basis. Such evaluation will include assessing the Contractor's compliance with all Agreement terms and conditions and performance standards. Contractor deficiencies which the County determines are severe or continuing and that may place performance of the Agreement in jeopardy if not corrected will be reported to the Board and listed in the appropriate contractor performance database. The report to the Board will include improvement/corrective action measures taken by the County and the Contractor. If improvement does not occur consistent with the corrective action measures, the County may terminate this Agreement or impose other penalties as specified in this Agreement

7. Agreement, Paragraph 18, HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT shall be deleted in its entirety and replaced as follows:

"18. HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF 1996 (HIPAA)

A. Contractor expressly acknowledges and agrees that the provision of services under this Agreement does not require or permit access by Contractor or any of its officers, employees, or agents, to any patient medical records. Accordingly, Contractor shall instruct its officers, employees, and agents, that they are not to pursue, or gain access to, patient medical records for any reason whatsoever.

B. Notwithstanding the forgoing, the parties acknowledge that in the course of the provision of services hereunder, Contractor or its officers, employees, and agents, may have inadvertent access to patient medical records. Contractor understands and agrees that neither it nor its officers, employees, or agents, are to take advantage of such access for any purpose whatsoever.

C. Additionally, in the event of such inadvertent access, Contractor and its officers, employees, and agents, shall maintain the confidentiality of any information obtained and shall notify Director that such access has been gained immediately, or upon the first reasonable opportunity to do so. In the event of any access, whether inadvertent or intentional, Contractor shall indemnify, defend, and hold harmless County, its officers, employees, and agents, from and against any and all liability, including but not limited to, actions, claims, costs, demands, expenses, and fees (including attorney and expert witness fees) arising from or connected with Contractor's or its officers', employees', or agents', access to patient medical records. Contractor agrees to provide appropriate training to its employees regarding their obligations as described hereinabove."

8. Agreement, Paragraph 52, CONTRACTOR'S STAFF IDENTIFICATION shall be added as follows:

"52, CONTRACTORS STAFF IDENTIFICATION

A. All of Contractor's employees assigned to County facilities are required to have a County Identification (ID) badge on their person and visible at all times. Contractor bears all expense of the badging.

B. Contractor is responsible to ensure that employees have obtained a County ID badge before they are assigned to work in a County facility. Contractor personnel may be asked to leave a County facility by a County representative if they do not have the proper County ID badge on their person.

C. Contractor shall notify the County within one business day when staff is terminated from working under this Agreement. Contractor shall retrieve and return an employee's ID badge to the

County on the next business day after the employee has terminated employment with the Contractor.

D. If County requests the removal of Contractor's staff Contractor shall retrieve and return an employee's ID badge to the County on the next business day after the employee has been removed from working on the County's Agreement.

9. Agreement, Paragraph 53, BACKGROUND AND SECURITY INVESTIGATION shall be added as follows:

"53. BACKGROUND AND SECURITY INVESTIGATION:

A. At the discretion of the County, all Contractor staff performing work under this Agreement may be required to undergo and pass, to the satisfaction of County, a background investigation as a condition of beginning and continuing to work under this Agreement. County shall use its discretion in determining the method of background clearance to be used, which may include but is not limited to fingerprinting. The fees associated with obtaining the background information shall be at the expense of the Contractor, regardless if the Contractor's staff passes or fails the background clearance investigation. County may perform the background check and bill Contractor for the cost or deduct such amount from funds owed by County to Contractor.

B. County may request that the Contractor's staff be immediately removed from working on the County Agreement at any time during the term of this Agreement. County will not provide to the Contractor nor to the Contractor's staff any information obtained through the County conducted background clearance.

C. County may immediately, at the sole discretion of the County, deny or terminate facility access to the Contractor's staff that do not pass such investigation(s) to the satisfaction of the County whose background or conduct is incompatible with County facility access.

D. Disqualification, if any, of the Contractor's staff, pursuant to this Paragraph 53, shall not relieve the Contractor of its obligation to complete all work in accordance with the terms and conditions of this Agreement.

10. Agreement, Paragraph 54, CONTRACTOR'S WARRANTY OF COMPLIANCE WITH COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM shall be added as follows:

“54. CONTRACTOR’S WARRANTY OF COMPLIANCE WITH COUNTY’S DEFAULTED PROPERTY TAX REDUCTION PROGRAM: Contractor acknowledges that County has established a goal of ensuring that all individuals and businesses that benefit financially from County through contract are current in paying their property tax obligations (secured and unsecured roll) in order to mitigate the economic burden otherwise imposed upon County and its taxpayers.

Unless Contractor qualifies for an exemption or exclusion, Contractor warrants and certifies that to the best of its knowledge it is now in compliance, and during the term of this Agreement will maintain compliance, with Los Angeles Code Chapter 2.206.

11. Agreement, Paragraph 55, TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY’S DEFAULTED PROPERTY TAX REDUCTION PROGRAM shall be added as follows:

“55. TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY’S DEFAULTED PROPERTY TAX REDUCTION PROGRAM: Failure of Contractor to maintain compliance with the requirements set forth in Paragraph 52 - Contractor’s Warranty of Compliance with County’s Defaulted Property Tax Reduction Program shall constitute default under this Agreement. Without limiting the rights and remedies available to County under any other provision of this Agreement, failure of Contractor to cure such default within 10 days of notice shall be grounds upon which County may terminate this Agreement and/or pursue debarment of Contractor, pursuant to County Code Chapter 2.206.”

12. Agreement, Paragraph 56, TERMINATION FOR NON-ADHERENCE OF COUNTY LOBBYIST ORDINANCE shall be added as follows:

“56. TERMINATION FOR NON-ADHERENCE OF COUNTY LOBBYIST ORDINANCE: The Contractor, and each County Lobbyist or County Lobbying firm as defined in County Code Section 2.160.010 retained by the Contractor, shall fully comply with the County’s Lobbyist Ordinance, County Code Chapter 2.160. Failure on the part of the Contractor or any County Lobbyist or County Lobbying firm retained by the Contractor to fully comply with the County’s Lobbyist Ordinance shall constitute a material breach of this Agreement, upon which the County may in its sole discretion, immediately terminate or suspend this Agreement.”

13. Agreement, Paragraph 57, CONTRACTOR’S CHARITABLE ACTIVITIES COMPLIANCE shall be added as follows:

“57. CONTRACTOR’S CHARITABLE ACTIVITIES COMPLIANCE:

14. Except for the changes set forth hereinabove, Agreement shall not be changed in any respect by this Amendment.

/

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be executed by the County's Director of Health Services and Contractor has caused this Amendment to be executed in its behalf by its duly authorized officer, the day, month, and year first above written.

COUNTY OF LOS ANGELES

By: _____
Mitchell H. Katz, M.D.
Director of Health Services

CONTRACTOR

CHILD DEVELOPMENT CONSORTIUM OF
LOS ANGELES

By: _____
Signature

Printed Name

Title

APPROVED AS TO FORM
BY THE OFFICE OF THE
COUNTY COUNSEL

CHILD CARE CENTER OPERATOR SERVICES AGREEMENT
NAME OF FACILITY(IES): H. CLAUDE HUDSON COMPREHENSIVE HEALTH
CENTER, HARBOR-UCLA MEDICAL CENTER AND RANCHO LOS AMIGOS
NATIONAL REHABILITATION CENTER

Amendment No. 3

THIS AMENDMENT is made and entered into this _____ day of _____,
20____,

By and between

COUNTY OF LOS ANGELES
(hereafter "County"),

And

KNOWLEDGE UNIVERSE EDUCATION, LLC
(hereafter "Contractor")

Business Address:

650 NE Holladay Street – Suite 1400
Portland, Oregon 97232

WHEREAS, on August 1, 2008, the County and Contractor entered into Agreement No. H-703405 to provide Child Care Center Operator Services at Harbor-UCLA Medical Center, H. Claude Hudson Comprehensive Health Center, and Rancho Los Amigos National Rehabilitation Center; and

WHEREAS, on August 1, 2008 the County's Board of Supervisors authorized the Director of Health Services (Director) to extend the term for an additional six (6) months upon mutual agreement by both parties, as described in Paragraph 1, Term; and

WHEREAS, it is the intent of the parties to amend the Agreement to extend the term for an additional 12 months, and make other changes described herein; and

WHEREAS, Agreement provides that changes in accordance to Paragraph 44, Alteration of Terms, may be made in the form of an Amendment which is formally approved and executed by the parties.

NOW, THEREFORE, the parties agree as follows:

1. This Amendment shall become effective upon execution by the parties on the date identified at the top of page 1 of this Amendment.

2. Agreement, Paragraph 1, TERM shall be deleted in its entirety and replaced as follows:

“1. TERM: The term of the Agreement shall commence and become effective August 1, 2008, and shall remain in full force and effect through December 31, 2014.”

The County shall have the sole option to extend this Agreement term for up to six (6) additional months, on a month-to-month basis. Such option and extension shall be exercised at the sole discretion of the Director or his designee as authorized by the Board of Supervisors, and in accordance to Paragraph 44, Alteration of Terms.

The County maintains databases that track/monitor Contractor performance history. Information entered into such databases may be used for a variety of purposes, including determining whether the County will exercise a contract term extension option.

The Contractor shall notify DHS when this Agreement is within six (6) months from the expiration of the term as provided for hereinabove. Upon occurrence of this event, the Contractor shall send written notification to the DHS at the address herein provided in Exhibit E - County's Administration.”

3. Agreement, Paragraph 8, INDEMNIFICATION, shall be deleted in its entirety and replaced as follows:

“8. INDEMNIFICATION:

The Contractor shall indemnify, defend and hold harmless the County, its Special Districts, elected and appointed officers, employees, agents and volunteers (“County Indemnitees”) from and against any and all liability, including but not limited to demands, claims, actions, fees, costs, and expenses (including attorney and expert witness fees), arising from and/or relating to this Agreement, except for such loss or damage arising from the sole negligence or willful misconduct of the County Indemnitees.”

4. Agreement, Paragraph 9, GENERAL INSURANCE REQUIREMENT shall be deleted in its entirety and replaced as follows:

“9. GENERAL INSURANCE REQUIREMENT: Without limiting Contractor's indemnification of County, and in the performance of this Agreement and until all of its obligations pursuant to this Agreement have been met, Contractor shall provide and maintain at its own expense insurance coverage satisfying the requirements specified in Sub-Paragraph 10 of this Agreement. These minimum insurance coverage terms, types and limits (the “Required Insurance”) also are in addition to and separate from any other Contractual obligation imposed upon

Contractor pursuant to this Agreement. The County in no way warrants that the Required Insurance is sufficient to protect the Contractor for liabilities which may arise from or relate to this Agreement.

A. Evidence of Coverage and Notice to County:

- Certificate(s) of insurance coverage (Certificate) satisfactory to County, and a copy of an Additional Insured endorsement confirming County and its Agents (defined below) has been given Insured status under the Contractor's General Liability policy, shall be delivered to County at the address shown below and provided prior to commencing services under this Agreement.
- Renewal Certificates shall be provided to County not less than 10 days prior to Contractor's policy expiration dates. The County reserves the right to obtain complete, certified copies of any required Contractor and/or Sub-Contractor insurance policies at any time.
- Certificates shall identify all Required Insurance coverage types and limits specified herein, reference this Agreement by name or number, and be signed by an authorized representative of the insurer(s). The Insured party named on the Certificate shall match the name of the Contractor identified as the contracting party in this Agreement. Certificates shall provide the full name of each insurer providing coverage, its NAIC (National Association of Insurance Commissioners) identification number, its financial rating, the amounts of any policy deductibles or self-insured retentions exceeding fifty thousand (\$50,000.00) dollars, and list any County required endorsement forms.
- Neither the County's failure to obtain, nor the County's receipt of, or failure to object to a non-complying insurance certificate or endorsement, or any other insurance documentation or information provided by the Contractor, its insurance broker(s) and/or insurer(s), shall be construed as a waiver of any of the Required Insurance provisions.

Certificates and copies of any required endorsements shall be sent to:

County of Los Angeles
Department of Health Services

Contracts and Grants Division
313 N. Figueroa Street, 6E
Los Angeles, CA 90012
Attention: Kathy K. Hanks, C.P.M.
Director, Contracts and Grants

Contractor also shall promptly report to County any injury or property damage accident or incident, including any injury to a Contractor employee occurring on County property, and any loss, disappearance, destruction, misuse, or theft of County property, monies or securities entrusted to Contractor. Contractor also shall promptly notify County of any third party claim or suit filed against Contractor or any of its Sub-Contractors which arises from or relates to this Agreement, and could result in the filing of a claim or lawsuit against Contractor and/or County.

B. Additional Insured Status and Scope of Coverage: The County of Los Angeles, its Special Districts, Elected Officials, Officers, Agents, Employees and Volunteers (collectively County and its Agents) shall be provided additional insured status under Contractor's General Liability policy with respect to liability arising out of Contractor's ongoing and completed operations performed on behalf of the County. County and its Agents additional insured status shall apply with respect to liability and defense of suits arising out of the Contractor's acts or omissions, whether such liability is attributable to the Contractor or to the County. The full policy limits and scope of protection also shall apply to the County and its Agents as an additional insured, even if they exceed the County's minimum Required Insurance specifications herein. Use of an automatic additional insured endorsement form is acceptable providing it satisfies the Required Insurance provisions herein.

C. Cancellation of or Changes in Insurance: Contractor shall provide County with, or Contractor's insurance policies shall contain a provision that County shall receive, written notice of cancellation or any change in Required Insurance, including insurer, limits of coverage, term of coverage or policy period. The written notice shall be provided to County at least ten (10) days in advance of cancellation for non-payment of premium and thirty (30) days in advance for any other cancellation or policy change. Failure to provide written notice of cancellation or any change in Required Insurance may constitute a material breach of the Agreement, in the sole discretion of the County, upon which the County may suspend or terminate this Agreement.

D. Failure to Maintain Insurance: Contractor's failure to maintain or to provide acceptable evidence that it maintains the

Required Insurance shall constitute a material breach of the Agreement, upon which County immediately may withhold payments due to Contractor, and/or suspend or terminate this Agreement. County, at its sole discretion, may obtain damages from Contractor resulting from said breach. Alternatively, the County may purchase the Required Insurance, and without further notice to Contractor, deduct the premium cost from sums due to Contractor or pursue Contractor reimbursement.

E. Insurer Financial Ratings: Coverage shall be placed with insurers acceptable to the County with A.M. Best ratings of not less than A:VII unless otherwise approved by County.

F. Contractor's Insurance Shall Be Primary: Contractor's insurance policies, with respect to any claims related to this Agreement, shall be primary with respect to all other sources of coverage available to Contractor. Any County maintained insurance or self-insurance coverage shall be in excess of and not contribute to any Contractor coverage.

G. Waivers of Subrogation: To the fullest extent permitted by law, the Contractor hereby waives its rights and its insurer(s)' rights of recovery against County under all the Required Insurance for any loss arising from or relating to this Agreement. The Contractor shall require its insurers to execute any waiver of subrogation endorsements which may be necessary to effect such waiver.

H. Sub-Contractor Insurance Coverage Requirements: Contractor shall include all Sub-Contractors as insureds under Contractor's own policies, or shall provide County with each Sub-Contractor's separate evidence of insurance coverage. Contractor shall be responsible for verifying each Sub-Contractor complies with the Required Insurance provisions herein, and shall require that each Sub-Contractor name the County and Contractor as additional insureds on the Sub-Contractor's General Liability policy. Contractor shall obtain County's prior review and approval of any Sub-Contractor request for modification of the Required Insurance.

I. Deductibles and Self-Insured Retentions (SIRs): Contractor's policies shall not obligate the County to pay any portion of any Contractor deductible or SIR. The County retains the right to require Contractor to reduce or eliminate policy deductibles and SIRs as respects the County, or to provide a bond guaranteeing Contractor's payment of all deductibles and SIRs, including all related claims investigation, administration and defense expenses. Such bond shall be executed by a corporate surety licensed to transact business in the State of California.

J. Claims Made Coverage: If any part of the Required Insurance is written on a claims made basis, any policy retroactive date shall precede the effective date of this Agreement. Contractor understands and agrees it shall maintain such coverage for a period of not less than three (3) years following Agreement expiration, termination or cancellation.

K. Application of Excess Liability Coverage: Contractors may use a combination of primary, and excess insurance policies which provide coverage as broad as ("follow form" over) the underlying primary policies, to satisfy the Required Insurance provisions.

L. Separation of Insureds: All liability policies shall provide cross-liability coverage as would be afforded by the standard ISO (Insurance Services Office, Inc.) separation of insureds provision with no insured versus insured exclusions or limitations.

M. Alternative Risk Financing Programs: The County reserves the right to review, and then approve, Contractor use of self-insurance, risk retention groups, risk purchasing groups, pooling arrangements and captive Insurance to satisfy the Required Insurance provisions. The County and its Agents shall be designated as an Additional Covered Party under any approved program.

N. County Review and Approval of Insurance Requirements: The County reserves the right to review and adjust the Required Insurance provisions, conditioned upon County's determination of changes in risk exposures.

5. Agreement, Paragraph 10, INSURANCE COVERAGE REQUIREMENTS shall be deleted in its entirety and replaced as follows:

"10. INSURANCE COVERAGE REQUIREMENTS:

A. Commercial General Liability: Insurance (providing scope of coverage equivalent to ISO policy form CG 00 01), naming County and its Agents as an additional insured, with limits of not less than:

General Aggregate:	\$2 million
Products/Completed Operations Aggregate:	\$1 million
Personal and Advertising Injury:	\$1 million
Each Occurrence:	\$1 million

B. Automobile Liability: Insurance (providing scope of coverage equivalent to ISO policy form CA 00 01) with limits of not less than \$1 million for bodily injury and property damage, in combined or equivalent split limits, for each single accident. Insurance shall cover liability arising out of Contractor's use of autos pursuant to this Agreement, including owned, leased, hired, and/or non-owned autos, as each may be applicable.

C. Workers Compensation and Employers' Liability: Insurance or qualified self-insurance satisfying statutory requirements, which includes Employers' Liability coverage with limits of not less than \$1 million per accident. If Contractor will provide leased employees, or, is an employee leasing or temporary staffing firm or a professional employer organization (PEO), coverage also shall include an Alternate Employer Endorsement (providing scope of coverage equivalent to ISO policy form WC 00 03 01 A) naming the County as the Alternate Employer, and the endorsement form shall be modified to provide that County will receive not less than thirty (30) days advance written notice of cancellation of this coverage provision. If applicable to Contractor's operations, coverage also shall be arranged to satisfy the requirements of any federal workers or workmen's compensation law or any federal occupational disease law.

6. Agreement, Paragraph 14, COUNTY'S QUALITY ASSURANCE PLAN shall be deleted in its entirety and replaced as follows:

"14. COUNTY'S QUALITY ASSURANCE PLAN: The County or its agent will evaluate the Contractor's performance under this Agreement on not less than an annual basis. Such evaluation will include assessing the Contractor's compliance with all Agreement terms and conditions and performance standards. Contractor deficiencies which the County determines are severe or continuing and that may place performance of the Agreement in jeopardy if not corrected will be reported to the Board and listed in the appropriate contractor performance database. The report to the Board will include improvement/corrective action measures taken by the County and the Contractor. If improvement does not occur consistent with the corrective action measures, the County may terminate this Agreement or impose other penalties as specified in this Agreement."

7. Agreement, Paragraph 18, HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT shall be deleted in its entirety and replaced as follows:

"18. HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF 1996 (HIPAA)

A. Contractor expressly acknowledges and agrees that the provision of services under this Agreement does not require or

permit access by Contractor or any of its officers, employees, or agents, to any patient medical records. Accordingly, Contractor shall instruct its officers, employees, and agents, that they are not to pursue, or gain access to, patient medical records for any reason whatsoever.

B. Notwithstanding the forgoing, the parties acknowledge that in the course of the provision of services hereunder, Contractor or its officers, employees, and agents, may have inadvertent access to patient medical records. Contractor understands and agrees that neither it nor its officers, employees, or agents, are to take advantage of such access for any purpose whatsoever.

C. Additionally, in the event of such inadvertent access, Contractor and its officers, employees, and agents, shall maintain the confidentiality of any information obtained and shall notify Director that such access has been gained immediately, or upon the first reasonable opportunity to do so. In the event of any access, whether inadvertent or intentional, Contractor shall indemnify, defend, and hold harmless County, its officers, employees, and agents, from and against any and all liability, including but not limited to, actions, claims, costs, demands, expenses, and fees (including attorney and expert witness fees) arising from or connected with Contractor's or its officers', employees', or agents', access to patient medical records. Contractor agrees to provide appropriate training to its employees regarding their obligations as described hereinabove."

8. Agreement, Paragraph 52, CONTRACTOR'S STAFF IDENTIFICATION shall be added as follows:

"52. CONTRACTORS STAFF IDENTIFICATION

A. All of Contractor's employees assigned to County facilities are required to have a County Identification (ID) badge on their person and visible at all times. Contractor bears all expense of the badging.

B. Contractor is responsible to ensure that employees have obtained a County ID badge before they are assigned to work in a County facility. Contractor personnel may be asked to leave a County facility by a County representative if they do not have the proper County ID badge on their person.

C. Contractor shall notify the County within one business day when staff is terminated from working under this Agreement. Contractor shall retrieve and return an employee's ID badge to the County on the next business day after the employee has terminated

employment with the Contractor.

D. If County requests the removal of Contractor's staff Contractor shall retrieve and return an employee's ID badge to the County on the next business day after the employee has been removed from working on the County's Agreement.

9. Agreement, Paragraph 53, BACKGROUND AND SECURITY INVESTIGATION shall be added as follows:

"53. BACKGROUND AND SECURITY INVESTIGATION:

A. At the discretion of the County, all Contractor staff performing work under this Agreement may be required to undergo and pass, to the satisfaction of County, a background investigation as a condition of beginning and continuing to work under this Agreement. County shall use its discretion in determining the method of background clearance to be used, which may include but is not limited to fingerprinting. The fees associated with obtaining the background information shall be at the expense of the Contractor, regardless if the Contractor's staff passes or fails the background clearance investigation. County may perform the background check and bill Contractor for the cost or deduct such amount from funds owed by County to Contractor.

B. County may request that the Contractor's staff be immediately removed from working on the County Agreement at any time during the term of this Agreement. County will not provide to the Contractor nor to the Contractor's staff any information obtained through the County conducted background clearance.

C. County may immediately, at the sole discretion of the County, deny or terminate facility access to the Contractor's staff that do not pass such investigation(s) to the satisfaction of the County whose background or conduct is incompatible with County facility access.

D. Disqualification, if any, of the Contractor's staff, pursuant to this Paragraph 53, shall not relieve the Contractor of its obligation to complete all work in accordance with the terms and conditions of this Agreement.

10. Agreement, Paragraph 54, CONTRACTOR'S WARRANTY OF COMPLIANCE WITH COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM shall be added as follows:

"54. CONTRACTOR'S WARRANTY OF COMPLIANCE WITH COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM: Contractor acknowledges that County has established a goal of ensuring that all individuals and businesses that benefit financially from County through contract are current in paying their property tax obligations (secured and unsecured roll) in order to mitigate the economic burden otherwise imposed upon County and its taxpayers.

Unless Contractor qualifies for an exemption or exclusion, Contractor warrants and certifies that to the best of its knowledge it is now in compliance, and during the term of this Agreement will maintain compliance, with Los Angeles Code Chapter 2.206.

11. Agreement, Paragraph 55, TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM shall be added as follows:

"55. TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM: Failure of Contractor to maintain compliance with the requirements set forth in Paragraph 52 - Contractor's Warranty of Compliance with County's Defaulted Property Tax Reduction Program shall constitute default under this Agreement. Without limiting the rights and remedies available to County under any other provision of this Agreement, failure of Contractor to cure such default within 10 days of notice shall be grounds upon which County may terminate this Agreement and/or pursue debarment of Contractor, pursuant to County Code Chapter 2.206."

12. Agreement, Paragraph 56, TERMINATION FOR NON-ADHERENCE OF COUNTY LOBBYIST ORDINANCE shall be added as follows:

"56. TERMINATION FOR NON-ADHERENCE OF COUNTY LOBBYIST ORDINANCE: The Contractor, and each County Lobbyist or County Lobbying firm as defined in County Code Section 2.160.010 retained by the Contractor, shall fully comply with the County's Lobbyist Ordinance, County Code Chapter 2.160. Failure on the part of the Contractor or any County Lobbyist or County Lobbying firm retained by the Contractor to fully comply with the County's Lobbyist Ordinance shall constitute a material breach of this Agreement, upon which the County may in its sole discretion, immediately terminate or suspend this Agreement."

13. Except for the changes set forth hereinabove, Agreement shall not be changed in any respect by this Amendment.

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be executed by the County's Director of Health Services and Contractor has caused this Amendment to be executed in its behalf by its duly authorized officer, the day, month, and year first above written.

COUNTY OF LOS ANGELES

By: _____
Mitchell H. Katz, M.D.
Director of Health Services

CONTRACTOR

KNOWLEDGE UNIVERSE EDUCATION,LLC

By: _____
Signature

Printed Name

Title

APPROVED AS TO FORM
BY THE OFFICE OF THE
COUNTY COUNSEL